No. 04-1693

Supreme Court, U.S.
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In The Supreme Court of the United States

CONTESSA PREMIUM FOODS, INC.,

Petitioner,

vs.

BERDEX SEAFOOD, INC., ET AL.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

RESPONDENTS BERDEX SEAFOOD, INC. AND COAST TO COAST SEAFOOD, INC.'S BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Is proof of willfulness a prerequisite for an award of profits for trademark infringement under section 43(a) of the Lanham Act, 15 U.S.C.A. § 1125(a) (West 1998 & West Supp. 2005)?

2. Should this matter be remanded to the Ninth Circuit for reconsideration in light of this Court's decision in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 125 S. Ct. 2764 (2005)?

CORPORATE DISCLOSURE STATEMENT

Respondent Berdex Seafood, Inc. has no parent corporation and no publicly held corporation owns 10 percent or more of its stock.

Respondent Coast to Coast Seafood, Inc. has no parent corporation and no publicly held corporation owns 10 percent or more of its stock.

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STATEMENT OF THE CASE

Contessa packages and distributes frozen shrimp. 1 CA ER 2.[1] In December 1986, Contessa created what it calls the Boiling Shrimp image, a photograph of a partially cooked shrimp in boiling water. CA SER 14; *see* 1 CA ER 214. Contessa used the Boiling Shrimp image on its packages of individually quick-frozen shrimp from 1988 through 1999. CA SER 34. Individually quick-frozen shrimp is marketed to consumers because the shrimp are individually frozen, affording the consumer the convenience of using as much or as little as needed. CA SER 59.

Berdex and Coast are both U. S. seafood distributors. In 1997 and 1998, they purchased ship containers of block-frozen shrimp from defendant Lockpur Fish Processing Co., Ltd., a Bangladeshi supplier. CA SER 58, 65; Pet. App. 26a. Each ship container held about 1,500 master cartons of shrimp. CA SER 58. Each master carton, made of corrugated cardboard and marked only with stenciled black lettering, contained six individually wrapped four-pound blocks of frozen shrimp. *Id.* Because block-frozen shrimp must be completely thawed for use all at once, the four-pound blocks produced by Lockpur were inconvenient for individual consumers. *Id.* at 59. Therefore, Berdex and Coast sold the shrimp only to distributors and professional food and host industry buyers representing hotels, restaurants, food service organizations, supermarkets, and the like. *Id.* at 59, 65. Individual consumers saw the shrimp only after it had been removed from the package and thawed. *Id.*

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[1] "CA ER" refers to the Excerpt of Records Contessa filed in the court of appeals. "CA SER" refers to the Supplemental Excerpt of Records Berdex and Coast filed in the court of appeals.

Four-pound block-frozen shrimp is a commodity in the seafood business. *Id.* at 59, 65. Berdex's and Coast's customers generally did not request any particular brand when purchasing block-frozen shrimp. *Id.* Berdex and Coast sold and delivered the shrimp in the sealed, unopened master cartons in which it arrived from Bangladesh. *Id.* at 60, 61. Berdex's vice president saw a sample of the inner packaging only once, in March 1997. 4 CA ER 858-62. On no other occasion did either Berdex or Coast ever examine the inner packaging. CA SER 59, 65.

In September 1998, Contessa came to believe that Berdex and Coast were infringing its claimed copyright and trademark in the Boiling Shrimp image. 3 CA ER 724-25. When Berdex and Coast learned that Contessa was claiming infringement, they immediately isolated their Lockpur product inventory, halted all pending and future transactions involving Lockpur shrimp, thoroughly inspected the inventory, and removed the allegedly infringing packaging. CA SER 66, 72. Out of 3,343 cartons in Coast's inventory, only 10 had any packaging bearing a shrimp image. *Id.* at 66. After taking those steps, neither Berdex nor Coast ever saw or heard that any Lockpur packaging bearing the shrimp image was found in its inventory. *Id.* at 66, 72.

On October 2, 1998, Contessa sued Coast in the district court for the Western District of Washington. 1 CA ER 1-29. Six days later, Contessa sued Lockpur and Berdex in the district court for the Central District of California. *Id.* at 30-62. The case against Coast was transferred to the Central District of California and consolidated with the case against Berdex and Lockpur. *Id.* at 174-84. Contessa amended its complaint to name other seafood distributors as defendants. *Id.* at 70. Contessa alleged that Berdex and

Coast infringed its copyright and trademark in the Boiling Shrimp image. *Id.* at 1-62.

Contessa moved for summary judgment on its trademark infringement claim. Pet. App. 24a. The district court denied the motion, finding triable issues of fact whether Contessa's alleged trademark was protectable and whether there was a likelihood of confusion between Contessa's and Lockpur's marks. 2 CA ER 364-83.

In 2000, Berdex and Coast moved for partial summary judgment on Contessa's copyright infringement claim. Pet. App. 10a. On August 29, 2000, the district court granted the motion, concluding Contessa had published the image without the requisite copyright notice, thus invalidating its copyright. *Id.* at 9a-22a.

Berdex and Coast then moved for partial summary judgment on Contessa's right to profits and attorneys' fees for trademark infringement. Pet. App. 24a. They contended that, if they infringed a protectable trademark, Contessa could not establish that the infringement was willfully calculated to exploit the advantage of an established mark, the standard set by the Ninth Circuit in *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 982 F.2d 1400, 1405 (9th Cir. 1993). Pet. App. 32a, n.10. In response, Contessa argued that Berdex and Coast's "'willful blindness'" supported a finding of knowing infringement. *Id.* at 33a. On March 12, 2001, the trial court granted this motion. *Id.* at 23a-39a.

Finally, Berdex and Coast moved for summary judgment on the only remaining remedies available, damages

and injunctive relief. CR 353.[2] On November 26, 2001, the district court granted that motion as well. 4 CA ER 941-954. The district court then entered judgment in favor of Berdex and Coast. *Id.* at 955-56.

Contessa obtained a default judgment against two defendants, Lockpur and Niamar International, Inc., and the remaining defendants obtained summary judgment. CR 588, 624. The case was not finally resolved as to all defendants until January 30, 2003. CR 622.

Contessa appealed. CR 626. It contended the district court erred by granting summary judgment because there were genuine issues of material fact whether Contessa had forfeited its copyright claim and whether defendants had willfully infringed Contessa's claimed trademark. CA AOB 38-51.[3] Contessa did not dispute that willfulness was a prerequisite for an award of profits for trademark infringement.

The Ninth Circuit affirmed the judgment in an unpublished Memorandum. Pet. App. 1a-8a. With regard to Contessa's copyright infringement claim, the court held:

> Assuming, *arguendo*, that Contessa does have a protectable copyright in the Image, . . . Contessa cannot succeed on a theory of contributory [copyright] liability against any of these Defendants because it has failed to establish a genuine issue

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[2] "CR 353" refers to document no. 353 in the district court clerk's record of this matter.

[3] "CA AOB" refers to the November 28, 2003, Brief of Plaintiff-Appellant Contessa Food Products, Inc. that Contessa filed in the court of appeals.